

CREATIVE INDUSTRY DEVELOPMENT MODEL AS AN ECONOMIC SUPPORT IN SURABAYA

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CREATIVE INDUSTRY DEVELOPMENT MODEL AS AN ECONOMIC SUPPORT IN SURABAYA

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ABSTRACT

This paper creative industry for supporting the development of the City of Surabaya, Indonesia. Creative industries come from individual abilities regarding skills and creativity with creative exploration, thus opening up employment and welfare opportunities, aimed at elaborating the existence and exploring the ways how to take advantage of. The paper concludes that the city of Surabaya has considerable opportunities in developing creative industries, but also has challenges in its development. In addition, there is a need for the need for a creative industry coordination institution and strong commitment and consistency in collaboration and further implementation.

Keywords: creative industry, development, city of Surabaya, local government

JEL:

1. Background

Creative Industries are economic activities related to the use of information technology. The creative industry is also described as a cultural industry (especially in the European continent) or also the creative economy. The Indonesian Ministry of Trade describes the creative industry as an industry that is sourced from the skills, exports of creativity and individual talents to create prosperity by exploiting the power of individual creativity.

According to Howkins (2011), the creative economy consists of architecture, the advertising industry, design, arts, crafts, fashion, film, music, performing arts, publishing, research and development (R&D), software, toys and games, television and radio, and video games. Several opinions were expressed for the creative economy.

Creative industries have an important role in supporting the welfare of an economy, some argue that 'human creativity is a major economic resource' and 'twenty-first century industries based on knowledge through innovation and creativity' (Landry, 2000). Creative industries are expected to be a solution to the problem of unemployment in the city of Surabaya. As shown in Table 1, the open unemployment rate in Surabaya is still at the level of 7.01% in 2015-2016 or has increased compared to 2014 which was recorded at 5.82% (Central of Statistical Board Surabaya, 2017).

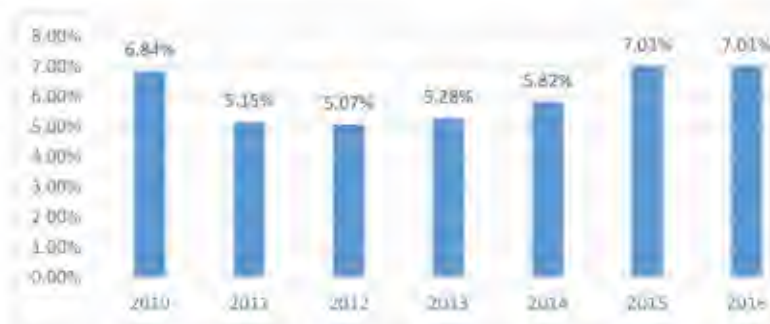


Figure 1. Surabaya City Unemployment Rate for 2010-2017

A study by the Surabaya City Development Planning Agency in 2011 showed that the creative industry of Surabaya as much as 55% engaged in the service industry's creative industry, and the remaining 36% in the manufacturing sector (processing industry) and 9% engaged in the trade sector. Most business people in the creative industry move the craft industry, then followed by the art and antiques market, fashion design and photography videos. The least is the interactive game industry.

Based on the results of identification in each of the creative industry business groups, it is known that the main problems faced by the government of Surabaya are:

- The level of business competition is quite high (this means that there are more and more business people involved in this industry).
- Capital level, easy access but limited by collateral and interest rates.
- Market penetration is difficult, because of the many competitors and the decline in consumers.
- The ability to improve the quality of output because of the limited resources they have.
- Business licensing from the government is still considered difficult.
- Space for less appreciation, due to limited capital and location of their business.

g. At least the coaching and training of the businesses they follow.

To overcome these problems, we need a modeling to encourage the growth of creative industries in the city of Surabaya in order to have a positive impact on a problem, one of them is by developing a model of developing creative industries. Thus, the plan for the development of the creative industry, has an impact on the creative industry, so that it will further develop and encourage the economy as a whole

2. Purpose

The objectives of this research activity are:

- a. to create creative industry competition in the city of Surabaya;
- b. to find out the way to increase empowerment & productivity of urban communities (specifically poor family or GAKIN and PMKS) Through creative industry
- c. to find out the way to create of Synergies between existing creative industry executors and new creative industry executors;
- d. to propose the guideline on how to lead creative industry determination that can become creative industry icon of Surabaya City.

3. Literature Review

The Creative Industry is described as an economic activity that has a relationship with the use of the creation of information technology. The creative industry is also called the Cultural Industry (especially in Europe or also the Creative Economy (Howkins 2011). The definition of creative industries according to the Ministry of Culture, Media and Sports (DCMS, 2011) is an industry that is sourced from individual skills and creativity. The definition of DCMS is adopted by other countries, including Indonesia, the Indonesian Ministry of Trade (2009) describes the creative industries as industries that originate from the use of individual talents, skills and creativity to open jobs by exploiting the power of individual creativity. According to Stuart Cunningham, Director of the Center for Research and Application of Creative Industries, University In Queensland technology, approaches in the creative industries can be described in Table 1

Table 1. Defining Creative Industry Approach

Criteria/ Approach	Creative Industries	Copyright Industries	Content Industries	Cultural Industries	Digital Content
Definition	Characterized mostly through labor input, namely creative individuals	Defined through industrial assets and output	Defined on the focus of industrial production	Defined on financing and public policy functions	Defined through a combination of technology and industrial production focus
Group	Advertising, Software, Music, art performing, Architecture, Film & TV, design, Publishing, interactive	Commercial Art, software, Film & Recording data, Music, Publishing, video, Data Processing, creative art	Film, Recorded, multimedia service Retailing, Broadcasting & pre recorded music, Software, music	Museums & literature, Visual arts & crafts, film, Broadcasting & art education, Music, Performing Arts, galleries, Libraries	games, Film & recorded media, Photography, Electronic, commercial art, video, Sound Recording, Information, Storage & Retrieval
Limitation	There are difficulties in finding data and measuring economic impacts	Requires appropriate industry classification	The scope is very limited	The scope is very broad, different for each country	Very limited scope still needs to be explored further

The classification of the creative industries in this study follows the classification of the creative industries that have been designed in the 2007 Creative Industries Study. Mapping of the creative industries has classified the creative industries sector into 14 sub-sectors of the

creative industries. The Indonesian creative syndicate classification refers to the mapping study conducted by DCMS UK, which was adapted to KBLI (Indonesian Standard Classification for Indonesian Business Sector) in 2005. The 14 sub-sectors are (1). fashion, (2). Architecture, (3). Art Market, (4). video, (5). Design, (6). advertising, (7). handicrafts, (8). Interactive Games, (9). Music, (10). Performing Arts, (11). Publishing and Printing, (12). research and development, (13). Radio and television, (14). services and software.

Alexandri, B. Muhammad., Erna Maulina, Arianis Chan & R. Widy (2019). Performing art are divided into three categories: dance, theater and music, all moving in traditional spaces commercial and artisits experimentation. The contribute of performing art is 0,26% of all creative economic contributions, the creative economy emerged in other cities as policy

Fahmi, Zul Fikri (2014) Rebranding, because it is caused by vertical and horizontal influences at the national level. This different description corresponds to several factors, the most dominant being the local political economy and the relationship with traditions in the area. The latter can be observed as the effect of decentralization, by opening up opportunities for regions to exploit with new ideas for designing development strategies.

Kurniawan (2016) describes that the creative industry is an industry that originates from the use of skills, creativity and the ability of individuals to obtain positive impacts, thus creating jobs in the surrounding environment..

4. Research Methods

The approach used in the preparation of the creative industry development model in the city of Surabaya is a qualitative analytical approach. The mindset in developing a model for developing creative industries in the city of Surabaya will be prepared by adjusting the Indonesian Creative Industry Development Plan 2009-2025 published by the Ministry of Trade of the Republic of Indonesia. Thus the development path between central and regional policies is expected to go hand in hand. In general, the creative economic development model that can be developed in the city of Surabaya can be analogous to a building consisting of foundation components, 5 pillars, and roofs that reinforce each other

a. People (Human Resources), the main sources of creative industries that characterize most of the creative industries sub-sectors.

b. Five Main Pillars

c. Roof

The five pillars explain that there must be a focused effort in the process of developing creative industries:

1. Industry, namely several companies that focus on the creative industries
2. Technology, which is an enabler to realize individual creativity in the form of work.
3. Resources are inputs other than individual knowledge and creativity needed in the creative process, for example: land and natural resources
4. Institutions, namely social order (law, values, and norms) that regulate the relationship between economic actors, especially in the creative industry
5. Financial Intermediaries, namely institutions that distribute finance

Creative economy is determined by the triple helix interaction which consists of government, business, intellectuals and as the main actor who drives the creative industry.

1. Intellectuals, intellectuals who are in non-formal, informal and formal educational institutions that act as determinants of ideas and knowledge which are the potential and source of creativity of the Surabaya community.
2. Business, business people who are able to cultivate creativity so that it has economic value
3. The government, the government as regulator and facilitator so that the creative industries experience growth and develop rapidly.

In the creative economy, the 'Triple helix' system is the link between the government, business and intellectuals) within the framework of the creative economy. Where the three helices are the main actors who encourage the birth of science, ideas, creativity, and technology that are important for the growth of the creative industry. In general, data sources in the implementation of the Creative Industry Development Model in Surabaya City are secondary data obtained from several sources such as the Surabaya City Planning and Development Agency, Surabaya City BPS as well as literature studies related to the topic under study. The scope of the research area is limited to the city of Surabaya, which is the capital city of East Java Province.

5. Discussion

The preparation of the creative industry development model in the city of Surabaya is carried out with the following stages:

Assessment of foundation conditions and pillars of creative industry development models (people, industry, technology, resources, institution, and financial intermediaries).

1. Human Resources (people)

Becoming an attractive creative talent, Openness that grows in the community, especially in terms of media, has a positive impact on the growth of space for expression and creation. This makes the community, especially the younger generation, see professions in the field of entertainment arts (such as music, film & video, TV and radio) as something attractive not only economically but also seen from the appreciation of the community.

2. Entrepreneurship Starts to Grow

In addition to the creative workforce, the role of entrepreneurs is also very important in the growth of the creative industry. Entrepreneurship is slowly becoming an attractive profession option (especially for those who are highly educated), this implies hope for a change in the driving force of society for entrepreneurial growth.

3. Surabaya Creative Talents and their role in the International Community.

The fact that is also encouraging is that there are many creative Indonesian human resources whose work is recognized internationally, both those based in the country and those who are domiciled abroad. The challenge is to prevent the occurrence of the 'brain drain' phenomenon (or perhaps more precisely 'talent drain') which can occur if the nation's best sons and daughters domiciled abroad do not return, or cannot channel the experience, expertise and value added obtaining overseas is a benefit for us. However, this talent drain can be changed to 'Talent Circulation' if a mechanism can be created that keeps them connected to the homeland and provides benefits.

4. Creative Talent Creators

Centralization of economic growth has resulted in the growth of quality human resources also being centralized. Although all regions in Surabaya have the potential to produce creative human resources, the vehicle for developing this human resource through higher education is still not evenly distributed. Surabaya is one of the many cities that are fortunate to have many universities. However, there are still many mismatches of educational content provided with the development of the creative industry so that the human resources produced by educational institutions cannot answer the challenges of the industry.

6. Conclusion and Recommendation Research

a. Conclusion

As the end of this research activity, the conclusions that can be submitted are as follows:

1. The city of Surabaya has considerable opportunities in developing creative industries, but also has challenges in its development.
2. Determination of its action and phasing plan for efforts to improve the performance of existing (creative industry) executors and grow potential new creative industry actors based on regional excellence.

b. Policy Recommendations

Policy recommendations that can be conveyed regarding the development of the creative industry model in the city of Surabaya are as follows:

1. The Need for a Creative Industry Coordination Institution

Given the large number of government agencies associated with various sub-sectors of the creative industry such as The Trade and Industry Services, The Department of Culture and Tourism, The Education Office, The Service and Investment Coordinating Board, BAPPEKO, coordination between agencies is needed. This coordination requires an institution that is able to concentrate on issues in the creative industry, while having good working relationships with various agencies.

In addition, given the large role of various actors, not only the government, in the creative industries to achieve successful synergies between strategic plans and implementation, this institution must be a collaboration between Scholars (world of science and cultural arts), Business (business and creative world, entrepreneurs), and the Government, which is called the triple helix collaboration. For this reason, it is necessary to establish the Surabaya Creative Economy Center (Center for Surabaya Creative Economy / CSCE) as a coordination agency (hub agency), socialization (public outreach) and formulation (think tank) for the development of creative industries in Surabaya.

2. Commitment & Consistency in Collaboration and Further Implementation.

In the end, the most important thing is consistency in policies and steps taken by the Government. It should be remembered that the government is only one of the three main actors who must collaborate together in this institution later. It is expected that with the active participation of the government more intensively along with other actors, then the role of the center of excellence to create greater value from the creative industry can be achieved.

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PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9